

ST. CHARLES PARISH ASSESSOR
Hahnville, Louisiana

Annual Financial Report

Year Ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

**Mr. Tab T. Troxler
St. Charles Parish Assessor
Hahnville, Louisiana**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the St. Charles Parish Assessor as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the St. Charles Parish Assessor as of December 31, 2019 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6-11 and analysis and budgetary comparison information, schedule of changes in total OPEB liability and related ratios, schedule of the employer's proportionate share of the net pension liability, schedule of the employer's pension contributions, and the accompanying notes to the required supplementary information on pages 52-56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

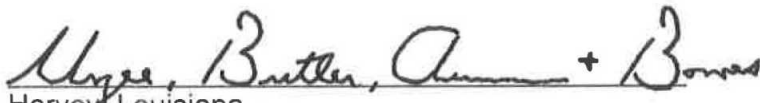
Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the St. Charles Parish Assessor's basic financial statements. The schedule of compensation, benefits, and other payments to agency head or chief executive officer on page 57 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to agency head or chief executive officer is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2020 on our consideration of the St. Charles Parish Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the St. Charles Parish Assessor's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the St. Charles Parish Assessor's internal control over financial reporting and compliance.


Harvey, Louisiana
June 24, 2020

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Management's Discussion and Analysis

Within this section of the annual financial report of the St. Charles Parish Assessor, the St. Charles Parish Assessor's management provides this narrative discussion and analysis of the financial activities of the St. Charles Parish Assessor for the year ended December 31, 2019. The St. Charles Parish Assessor's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

The St. Charles Parish Assessor's assets exceeded its liabilities by \$817,228 (net position) for the year reported.

Total net position is comprised of the following:

- Net investment in capital assets of \$118,849 includes property and equipment, net of accumulated depreciation.
- Unrestricted net position of \$698,379 represents the portion available to maintain the St. Charles Parish Assessor's continuing obligations to citizens and creditors.

The St. Charles Parish Assessor's General Fund reported total ending unassigned fund balance of \$4,503,927 this year. This compares to the prior year ending unassigned fund balance of \$4,160,666 showing an increase of \$343,261 during the current year.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis document introduces the St. Charles Parish Assessor's basic financial statements. The basic financial statements include: (1) government – wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The St. Charles Parish Assessor also includes in this report additional information to supplement the basic financial statements.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Management's Discussion and Analysis

GOVERNMENT – WIDE FINANCIAL STATEMENTS

The St. Charles Parish Assessor's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the St. Charles Parish Assessor's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the Statement of Net Position. This is the government-wide statement of position presenting information that includes all of the St. Charles Parish Assessor's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the St. Charles Parish Assessor as a whole is improving or deteriorating. Evaluation of the overall health of the St. Charles Parish Assessor would extend to other nonfinancial factors in addition to the financial information provided in this report.

The second government-wide statement is the Statement of Activities, which reports how the St. Charles Parish Assessor's net position changed during the current year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the St. Charles Parish Assessor's distinct activities or functions on revenues provided by the Parish and the State of Louisiana.

The government-wide financial statements present governmental activities of the St. Charles Parish Assessor that are principally supported by intergovernmental revenues. The purpose of these governmental activities is to assess all real and moveable property in the parish subject to ad valorem taxation.

The government-wide financial statements are presented on pages 12 and 13 of this report.

FUND FINANCIAL STATEMENTS

A fund is an accountability unit used to maintain control over resources that have been segregated for specific activities or objectives. The St. Charles Parish Assessor uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the St. Charles Parish Assessor's most significant funds rather than the St. Charles Parish Assessor as a whole.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Management's Discussion and Analysis

The St. Charles Parish Assessor has only governmental funds.

Governmental funds are reported in the fund financial statements and encompass the same function as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements which provide a distinctive view of the St. Charles Parish Assessor's governmental funds, including object classifications. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term decisions regarding revenues and expenses. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The governmental fund financial statements are presented on pages 14 -17 of this report.

NOTES TO THE BASIC FINANCIAL STATEMENTS

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 18 of this report.

OTHER INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the St. Charles Parish Assessor's budget presentations. Budgetary comparison schedules are included as "required supplementary information" for the General Fund. These schedules demonstrate compliance with the St. Charles Parish Assessor's adopted and final revised budget. Also included as "required supplementary information" are the schedule of changes in total OPEB liability and related ratios, the schedule of the employer's proportionate share of the net Pension liability, schedule of the employer's Pension contributions, and the accompanying notes to the required supplementary information which are required additional information on the Pension and OPEB plans. Required supplementary information can be found on pages 52-56 of this report.

FINANCIAL ANALYSIS OF THE ST. CHARLES PARISH ASSESSOR AS A WHOLE

The St. Charles Parish Assessor recently implemented the new financial reporting model used in this report. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the St. Charles Parish Assessor as a whole.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Management's Discussion and Analysis

The St. Charles Parish Assessor's net position as of December 31, 2019 and 2018 was \$817,228 and \$472,018, respectively. The Assessor's net position increased by \$345,210 from December 31, 2018 to December 31, 2019. This is a result of an increase of \$345,210 as a result of this year's operations. The following table provides a condensed statement of the St. Charles Parish Assessor's net position:

Condensed Statement of Net Position

	December 31, 2019 Governmental Activities	December 31, 2018 Governmental Activities
Assets:		
Current assets	\$ 4,570,303	\$ 4,231,993
Capital assets	<u>118,849</u>	<u>158,357</u>
Total assets	<u>4,689,152</u>	<u>4,390,350</u>
Deferred Outflows of Resources:		
Deferred outflows related to Pensions & OPEB	<u>1,407,160</u>	<u>817,777</u>
Liabilities:		
Current liabilities	19,490	14,917
Long-term liabilities	<u>4,387,136</u>	<u>3,516,724</u>
Total liabilities	<u>4,406,626</u>	<u>3,531,641</u>
Deferred Inflows of Resources:		
Deferred Inflows related to Pensions & OPEB	<u>872,458</u>	<u>1,204,468</u>
Net position:		
Net investment in capital assets	118,849	158,357
Unrestricted	<u>698,379</u>	<u>313,661</u>
Total net position	\$ <u>817,228</u>	\$ <u>472,018</u>

GASB 75 was implemented in the year ended December 31, 2018. Prior year amounts were not restated to reflect the changes due to this implementation.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Management's Discussion and Analysis

The following table provides a condensed statement of the St. Charles Parish Assessor's activities and changes in net position:

Condensed Statement of Activities and Changes in Net Position

	December 31, 2019 Governmental Activities	December 31, 2018 Governmental Activities
Revenue:		
Charges for Services	\$ 775	\$ 568
Ad Valorem Taxes & Other	2,377,454	2,225,179
Interest Income	65,938	44,243
State Revenue Sharing	31,467	32,116
Gain on Sale of Assets	<u>50</u>	<u>-0-</u>
Total revenues	<u>2,475,684</u>	<u>2,302,106</u>
Expenses:		
General Government	2,127,672	2,062,140
Loss on Investments	<u>2,802</u>	<u>-0-</u>
Total expenses	<u>2,130,474</u>	<u>2,062,140</u>
Change in net position	345,210	239,966
Net position -Beginning of year	472,018	2,076,929
Adjustment due to implementation of GASB 75	<u>-0-</u>	<u>(1,844,877)</u>
Net position – End of year	\$ <u>817,228</u>	\$ <u>472,018</u>

GASB 75 was implemented in the year ended December 31, 2018. Prior year amounts were not restated to reflect the changes due to this implementation.

GOVERNMENTAL REVENUES

The St. Charles Parish Assessor is reliant on revenue received from St. Charles Parish and the State of Louisiana to support its operations. The St. Charles Parish Assessor's financial position has enabled it to earn \$65,938 in interest to support governmental activities.

GOVERNMENTAL FUNCTIONAL EXPENSES

The total governmental function of the St. Charles Parish Assessor's office is to assess all real and moveable property in the parish subject to ad valorem taxation. Of the total costs, depreciation on the capital assets was \$41,798.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE ST. CHARLES PARISH ASSESSOR

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds had an ending fund balance of \$4,503,927, all of which is unassigned indicating availability for continuing the St. Charles Parish Assessor's activities.

CAPITAL ASSETS

The St. Charles Parish Assessor's investment in capital assets, net of accumulated depreciation as of December 31, 2019, was \$118,849. See Note 6 of the notes to the financial statements for additional information about changes in capital assets during the current year.

CONTACTING THE ST. CHARLES PARISH ASSESSOR'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the St. Charles Parish Assessor's finances, comply with finance-related laws and regulations, and demonstrate the St. Charles Parish Assessor's commitment to public accountability. If you have any questions about this report or would like to request additional information, contact Tab T. Troxler, St. Charles Parish Assessor, P. O. Box 303, Hahnville, Louisiana 70057. Phone (985) 783-6281.

GOVERNMENT – WIDE FINANCIAL STATEMENTS

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Statement of Net Position
Year Ended December 31, 2019

	<u>Governmental Activities</u>
Assets	
Current Assets	
Cash	\$ 170,636
Investments	2,286,801
Receivables	
Ad valorem taxes, net	2,092,316
State revenue sharing	<u>20,550</u>
Total current assets	<u>4,570,303</u>
Noncurrent Assets	
Capital assets, net of depreciation	<u>118,849</u>
Total noncurrent assets	<u>118,849</u>
Deferred Outflows of Resources	
Deferred outflows related to Pensions & OPEB	<u>1,407,160</u>
Liabilities	
Current Liabilities	
Accounts payable	7,228
Payroll liabilities and related payables	<u>12,262</u>
Total current liabilities	<u>19,490</u>
Noncurrent Liabilities	
Net OPEB obligations	3,831,898
Net Pension Liability	<u>555,238</u>
Total noncurrent liabilities	<u>4,387,136</u>
Deferred Inflows of Resources	
Deferred inflows related to Pensions & OPEB	<u>872,458</u>
Net Position	
Net investment in capital assets	118,849
Unrestricted	<u>698,379</u>
Total net position	<u>\$ 817,228</u>

The accompanying notes are an integral part of these basic financial statements.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Statement of Activities
Year Ended December 31, 2019

Functions and Programs	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities				
General Government	\$ <u>2,127,672</u>	\$ <u>775</u>	\$ <u>31,467</u>	\$ <u>(2,095,430)</u>
<u>Total governmental activities</u>	<u>2,127,672</u>	<u>775</u>	<u>31,467</u>	<u>(2,095,430)</u>
General Revenues				
Ad Valorem Taxes				2,377,454
Interest Income				65,938
Loss on Investments				(2,802)
Gain on Sale of Assets				<u>50</u>
Total general revenues				<u>2,440,640</u>
Change in net position				345,210
Net position – beginning of year				<u>472,018</u>
Net position – end of year				\$ <u>817,228</u>

The accompanying notes are an integral part of these basic financial statements.

FUND FINANCIAL STATEMENTS

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Balance Sheet
Governmental Fund
December 31, 2019

	<u>General Fund</u>
Assets	
Current Assets	
Cash	\$ 170,636
Investments	2,286,801
Receivables	
Ad valorem taxes, net	2,092,316
State revenue sharing	<u>20,550</u>
<u>Total assets</u>	<u>\$ 4,570,303</u>
Liabilities, Deferred Inflows of Resources, and Fund Balance	
Liabilities	
Accounts payable	\$ 7,228
Payroll liabilities and related payables	<u>12,262</u>
<u>Total liabilities</u>	<u>19,490</u>
Deferred Inflows of Resources	
Ad valorem tax	26,336
State revenue sharing	<u>20,550</u>
<u>Total deferred inflows of resources</u>	<u>46,886</u>
Fund Balance	
Unassigned, reported in general fund	<u>4,503,927</u>
<u>Total liabilities, deferred inflows of resources, and fund balance</u>	<u>\$ 4,570,303</u>

The accompanying notes are an integral part of these basic financial statements.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Reconciliation of the Governmental Fund Balance Sheet to
the Government – Wide Statement of Net Position
December 31, 2019

Total fund balance of the governmental fund at December 31, 2019	\$4,503,927
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	118,849
The deferred outflows of expenditures for the Pension and OPEB plan is not a use of current resources and, therefore, is not reported in the fund.	1,407,160
The long-term liability for the net Pension liability is not due and payable in the current period and, therefore, not reported in the fund.	(555,238)
Ad valorem taxes and state revenue sharing revenues will be collected after year end, but they are not available soon enough to pay for the current period expenditures; therefore, they are reported as deferred inflows of resources in the fund.	46,886
The long-term liability for the OPEB liability is not due and payable in the current period and, therefore, not reported in the fund.	(3,831,898)
The deferred inflows of contributions for the Pension and OPEB plan are not available resources and, therefore, are not reported in the fund.	<u>(872,458)</u>
<u>Net position of governmental activities at December 31, 2019</u>	\$ <u>817,228</u>

The accompanying notes are an integral part of these basic financial statements.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
Year Ended December 31, 2019

REVENUES

Ad valorem tax	\$ 2,095,500
State revenue sharing	31,467
Sale & preparation of tax roll	775
Interest Income	65,938
Gain on sales of assets	<u>50</u>
TOTAL REVENUES	<u>2,193,730</u>

EXPENDITURES

Salaries	944,827
Payroll taxes & expenses	16,594
Disability insurance	480
Employer's contribution to group insurance	387,437
Employer's contribution to retirement	151,172
Deferred Compensation	104,156
Automobile expenditures	4,865
Contracted services	92,412
Dues and subscriptions	9,176
Equipment maintenance	33,726
Office expenditures	64,705
Other insurance	8,238
Telephone	9,704
Travel and training	16,071
Capital outlay	2,290
Uniforms	1,814
Loss on investments	<u>2,802</u>
TOTAL EXPENDITURES	<u>1,850,469</u>

EXCESS OF REVENUES OVER EXPENDITURES	343,261
FUND BALANCE - BEGINNING OF YEAR	<u>4,160,666</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,503,927</u>

The accompanying notes are an integral part of these basic financial statements.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balance to the Government – Wide Statement of Activities
Year Ended December 31, 2019

Total net change in fund balance at December 31, 2019 per Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund	\$ 343,261
Amounts reported for governmental activities in the Government – Wide Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Government – Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay and equipment retired in the current period.	(39,508)
Ad valorem taxes and state revenue sharing revenue in the statement of activities that do not provide current resources are not reported as revenue in the fund.	281,954
Generally, expenditures recognized in the fund financial statements are limited to only those that use current financial resources but, expenses and liabilities are reported in the government – wide statement of activities when they are incurred.	
Accrued post-employment benefits	(62,941)
Pension adjustment due to GASB 68	(315,098)
OPEB adjustment due to GASB 75	<u>137,542</u>
<u>Total change in net position of governmental activities</u>	<u>\$ 345,210</u>

The accompanying notes are an integral part of these basic financial statements.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements

Introduction

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the St. Charles Parish Assessor is elected by the voters of the parish and serves a four-year term. The St. Charles Parish Assessor assesses all real and movable property in the parish subject to ad valorem taxation. The St. Charles Parish Assessor is authorized to appoint as many deputies as may be necessary for the efficient operation of the office and to provide assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the St. Charles Parish Assessor is officially and peculiarly responsible for the actions of the deputies.

The St. Charles Parish Assessor's office is located in the St. Charles Parish Courthouse in Hahnville, Louisiana. The St. Charles Parish Assessor employs 14 employees, which include the Assessor and 13 deputies. In accordance with Louisiana law, the St. Charles Parish Assessor bases real and movable property assessments on conditions existing on January 1 of the year. The St. Charles Parish Assessor completes an assessment listing by May 1 and submits the list to the parish governing authority and the Louisiana Tax Commission, as prescribed by law. Once the assessment listing is approved, the St. Charles Parish Assessor submits the assessment roll to the parish tax collector, who is responsible for the collection and distribution of taxes to the various taxing bodies.

At December 31, 2019, there were 23,242 real property and movable property assessments totaling \$393,543,849 and \$2,192,008,338, respectively. Total exemption was \$1,016,799,515 and total taxable was \$1,568,752,672. This represents an increase in assessed value of \$47,123,466 and an increase in taxable assessments of \$143,731,602.

1) Summary of Significant Accounting Policies

A.) Reporting Entity

For financial reporting purposes, the St. Charles Parish Assessor is considered its own separate financial reporting entity. All funds, activities, etc. controlled by the fund as an independently established entity are included as a part of this financial reporting body. There are no other component units. The St. Charles Parish Assessor is solely responsible for the operations of the fund with authority and responsibility for all operations, deficits, and the receipt and disbursement of monies. Accordingly, other units of the local government such as the Parish Council are considered separate reporting entities and issue financial statements separate from those of the St. Charles Parish Assessor.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

1) Summary of Significant Accounting Policies – continued

B.) Basis of Presentation

The accompanying basic financial statements of the St. Charles Parish Assessor have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *"Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments."*

The accompanying basic financial statements have also been prepared in conformity with the following GASB Statements:

Statement No. 63, *"Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position."* The objective of this Statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures.

Statement No. 65, *"Items previously reported as Assets and Liabilities."* The statement clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting.

Statement No. 67, *"Financial Reporting for Pension Plans."* The statement requires the disclosure of the collective net pension liability for all participating employers of the Louisiana Assessors' Retirement Fund.

Statement No. 68, *"Accounting and Financial Reporting for Pensions."* The statement addresses accounting and financial reporting for pensions that are provided to the employees of the St. Charles Parish Assessor through pension plans that are administered through trusts or equivalent arrangements that meet the criteria established by this standard.

Statement No. 72, *"Fair Value Measurement and Application."* This statement addresses accounting and financial reporting issues related to fair value measurements. GASB 72 generally requires investments to be measured at fair value. Investments are defined as securities or other assets that (a) a government holds primarily for the purpose of income and profit and (b) has a present service capacity based solely on its ability to generate cash or to be sold to generate cash. This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques; and these disclosures are to be organized by type of asset or liability reported at fair value.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

1) Summary of Significant Accounting Policies – continued

B.) Basis of Presentation – continued

Statement No. 75, *“Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.”* The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). This statement replaces the requirements of GASB Statement No. 45. Statement No. 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures.

Statement No. 76, *“The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.”* The objective of this Statement is to identify the hierarchy of generally accepted accounting principles, in the context of the current governmental financial reporting environment. The requirements of this Statement will raise the category of GASB Implementation Guides in the GAAP hierarchy, emphasize the importance of analogies to authoritative literature when the accounting treatment for an event is not specified in authoritative GAAP, and require the consideration of consistency with GASB Concepts Statements when evaluating accounting treatments specified in non-authoritative literature.

Statement No. 77, *“Tax Abatement Disclosures.”* This statement requires governments to disclose in the notes to their financial statements certain information related to tax abatement agreements. As defined in this standard, a tax abatement results from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens.

Deferred Inflows/Outflows of Resources

The St. Charles Parish Assessor reports deferred inflows/outflows of resources when potential revenue or expenditures do not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows of resources also arise when resources are received by the St. Charles Parish Assessor before it has a legal claim to them as when tax revenues are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue/expenditure recognition criteria are met, or when the St. Charles Parish Assessor has a legal claim to the resources, deferred inflows/outflows of resources are removed and revenues/expenditures are recognized.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

1) Summary of Significant Accounting Policies – continued

B.) Basis of Presentation – continued

Government-Wide Financial Statements (GWFS)

The St. Charles Parish Assessor's basic financial statements include both government-wide (reporting the St. Charles Parish Assessor as a whole) and fund financial statements (reporting the St. Charles Parish Assessor's major fund). All of the St. Charles Parish Assessor's administrative services are classified as governmental activities.

In the government-wide Statement of Net Position, the governmental activities are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The St. Charles Parish Assessor's net position is reported in two parts – net investment in capital assets and unrestricted net position.

The government-wide Statement of Activities reports both the gross and net cost of each of the St. Charles Parish Assessor's functions and activities (assessment of real and movable property in the parish subject to ad valorem taxation). These functions are also supported by general government revenues (interest earned). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating expenses. Program revenues must be directly associated with the function (assessment of real and movable property in the parish subject to ad valorem taxation).

The net costs (by function) are normally covered by general revenue (interest earned, etc). This government-wide focus is more on the sustainability of the St. Charles Parish Assessor as an entity and the change in the St. Charles Parish Assessor's net position resulting from the current year's activities.

Fund Financial Statements (FFS)

The St. Charles Parish Assessor uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The St. Charles Parish Assessor's fund encompasses only Governmental Funds, which are described below.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

1) Summary of Significant Accounting Policies – continued

B.) Basis of Presentation – continued

Governmental

General Fund – The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the St. Charles Parish Assessor and is used to account for the operations of the St. Charles Parish Assessor's office. The various fees and charges due to the St. Charles Parish Assessor's office are accounted for in this fund. General operating expenditures are paid from this fund.

C.) Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Government Wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental Fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The St. Charles Parish Assessor considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred. The governmental funds use the following practices in recording revenues and expenditures:

Ad valorem taxes are assessed for the calendar year, become due on November 15 of each year, and become delinquent on December 31. The tax collector generally collects the taxes in December of the current year and January and February of the ensuing year. Ad valorem tax revenue also includes prior year taxes received that were previously written off. Prior year net receivables written off are deducted from ad valorem tax revenue.

State revenue sharing is recorded, net of deferred revenue, for the current year's tax roll. Deferred inflows of resources are recorded for the amount of the funds that are expected to be collected after the end of the year, but are not expected to be collected in time to pay current liabilities.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

1) Summary of Significant Accounting Policies – continued

C.) Measurement Focus/Basis of Accounting – continued

All other revenues are recorded when measurable and available.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

When both restricted and unrestricted resources are available for use, it is the St. Charles Parish Assessor's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

The St. Charles Parish Assessor's basic financial statements have been prepared in conformity with GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the St. Charles Parish Assessor.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed, but that are intended to be used for specific purposes.
- e. Unassigned – all other spendable amounts.

ST. CHARLES PARISH ASSESSOR

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Notes to Basic Financial Statements – Continued

1) Summary of Significant Accounting Policies – continued

C.) Measurement Focus/Basis of Accounting – continued

Fund Balance – continued

The St. Charles Parish Assessor applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. The St. Charles Parish Assessor does not have a formal minimum fund balance policy.

Net Position

Net position comprises the various net earnings from revenues and expenses. Net position is classified in the following components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of assets less liabilities and deferred inflows of resources (net position) with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

1) Summary of Significant Accounting Policies – continued

D.) Budgets

The St. Charles Parish Assessor's budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). The proposed budget for 2019 was published in the official journal and made available for public inspection. The public hearing for the proposed budget was held December 6, 2018, and the budget was adopted on that date. Unexpended appropriations lapse at year end. Formal budget integration was employed as a management control device during the year the budget was amended. The amended budget was published in the official journal and made available for public inspection. The amended budget was adopted at a public hearing on December 3, 2019.

The St. Charles Parish Assessor reserves all authority to make changes to the budget. When actual revenues fail to meet budgeted revenues by five percent or more and/or actual expenditures exceed budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted by the St. Charles Parish Assessor. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

E.) Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Under state law, the St. Charles Parish Assessor may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits in state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

F.) Investments

Under state law, the St. Charles Parish Assessor may invest in United States bonds, treasury notes, certificates, treasury bills, any other federally insured investment, or the Louisiana Asset Management Pool, Inc. (LAMP).

Investments with maturities greater than 90 days when purchased are classified as investments. Investments are stated at fair value as established by the open market.

Securities traded in a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. Realized gains and losses on investments recorded at fair value are included in investment income.

Investment policies are governed by state statutes.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

1) Summary of Significant Accounting Policies – continued

G.) Vacation and Sick Leave

Employees of the St. Charles Parish Assessor's office earn from 0 to 25 days of vacation leave each year, depending on their length of service. Unused vacation leave may not be accumulated. Employees earn from 5 to 20 days of sick leave each year, depending on their length of service. A maximum of 50 days of sick leave may be accumulated. Upon retirement or death, unused accumulated sick leave is paid to the employee or to the employee's estate at the employee's current rate of pay, up to a maximum of fifty days.

In accordance with GASB Statement No. 16, the cost of sick leave is accrued only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies such as medical appointments and funerals. There are no cost of leave privileges required to be reported on the financial statements.

H.) Compensated Absences

Compensated absences are recognized as expenditures when leave is actually taken or when employees (or their heirs) are paid for accrued sick leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group. Because employees are not allowed to carryover vacation leave to future years, there is no long-term liability for compensated absences.

I.) Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The St. Charles Parish Assessor maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

ST. CHARLES PARISH ASSESSOR

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Notes to Basic Financial Statements – Continued

1) Summary of Significant Accounting Policies – continued

I.) Capital Assets – continued

Furniture	5 years
Computer equipment	5 years
Office equipment	5 years
Telephone equipment	10 years
Vehicles	5 years

J.) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

2) Cash and Cash Equivalents

At December 31, 2019, the St. Charles Parish Assessor's cash and cash equivalents (book balance) totaled \$170,636 and zero, respectively, as follows:

<u>Cash & Cash Equivalents</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturity</u>
Cash:			
First National Bank			
Checking	\$ 65,283	\$ 65,283	Demand
Whitney Investments			
Money Market	<u>105,353</u>	<u>105,353</u>	Demand
Total Cash	\$ <u>170,636</u>	\$ <u>170,636</u>	
Cash equivalents:			
None	\$ <u>-0-</u>	\$ <u>-0-</u>	
Total Cash Equivalents	\$ <u>-0-</u>	\$ <u>-0-</u>	

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

2) Cash and Cash Equivalents – continued

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

At year-end, the carrying amount of the St. Charles Parish Assessor's checking and money market accounts (book balances) was \$170,636. This amount is fully secured from risk by FDIC insurance.

3) Investments

The St. Charles Parish Assessor can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law. The St. Charles Parish Assessor's investments are categorized to give an indication of the level of risk assumed by the St. Charles Parish Assessor at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the St. Charles Parish Assessor or his agent in the St. Charles Parish Assessor's name. Category 2 includes uninsured and unregistered investments with securities held by the counterparty's trust department or agent in the St. Charles Parish Assessor's name. Category 3 includes uninsured and unregistered investments with securities held by the counterparty, or by its trust department or agent, but not in the St. Charles Parish Assessor's name.

In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized in the three risk categories provided by the GASB Codification Section 150.164 because the investment is in a pool of funds and, thereby, not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc.; a non-profit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and statewide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

3) Investments - continued

The LAMP and the U. S. Government Agency Bond portfolios include only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, these investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For the purpose of determining participants' shares, investments are valued at amortized cost. GASB Statement No. 31 requires that investments, that fall within the definitions of said statement, be recorded at fair value. However, Statement No. 31 also states that investments in an external investment pool can be reported at amortized cost if the external investment pool operates in a manner consistent with the Security and Exchange Commission's (SEC's) Rule 2a7. LAMP is an external investment pool that operates in a manner consistent with SEC Rule 2a7.

In accordance with R.S. 33:2955, the St. Charles Parish Assessor also invests a significant portion of it's investments in United States Treasury Federated Government Obligations and Federal Home Loan Bank and Mortgage type of investments. Since these investments are directly invested in U. S. backed government instruments, separate collateralization is not a requirement.

As of December 31, 2019, the St. Charles Parish Assessor had the following investments:

Investment Type	Cost	Fair Value
Louisiana Asset Management Pool (LAMP)	\$ 487,355	\$ 487,355
U.S. Government Agency Bonds (Category 2)	<u>1,799,446</u>	<u>1,801,083</u>
Total	<u>\$ 2,286,801</u>	<u>\$ 2,288,438</u>

4) Receivables

Ad valorem taxes receivable of \$2,098,351 is recorded net of an allowance for estimated uncollectibles of \$6,035. The allowance for estimated uncollectibles is determined by calculating the prior year assessment less the actual amount received from prior year tax roll, adding any prior year taxes collected which were previously written off.

Other receivables consist of state revenue sharing receivable of \$20,550.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

5) Levied Taxes

The following is a summary of authorized and levied property taxes:

	<u>Authorized Milage</u>	<u>Levied Milage</u>
2018 Tax Roll	1.41	1.41
2019 Tax Roll	1.34	1.34

The following are the principal taxpayers for the parish and their assessed valuation:

	<u>Assessed Valuation</u>	<u>Percent of Total Assessed Valuation</u>
Entergy Louisiana, Inc.	\$ 231,443,965	8.95%
Equilon Enterprises, LLC	190,969,484	7.39%
Union Carbide Corporation	184,417,087	7.13%
Shell Chemical Company	109,420,965	4.23%
Valero Refining – New Orleans	76,958,758	2.98%
Monsanto Company	70,988,426	2.75%
Occidental Chemical Corp	48,865,733	1.89%
Valero Marketing & Supply	45,324,116	1.75%
Entergy Louisiana, Inc.	38,619,005	1.49%
International Matex Tan	35,543,813	1.37%
	<u>\$1,032,551,352</u>	<u>39.93%</u>

6) Capital Assets

Capital assets and depreciation activity as of and for the year ended December 31, 2019, is as follows:

	<u>12/31/2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2019</u>
Computer equipment	\$ 417,345	\$ -0-	\$ -0-	\$ 417,345
Furniture	71,522	-0-	-0-	71,522
Office equipment	104,171	2,290	-0-	106,461
Vehicles	79,016	-0-	-0-	79,016
Total	<u>672,054</u>	<u>2,290</u>	<u>-0-</u>	<u>674,344</u>
Less accumulated depreciation:				
Computer equipment	(324,933)	(21,149)	-0-	(346,082)
Furniture	(49,043)	(8,511)	-0-	(57,554)
Office equipment	(85,673)	(5,120)	-0-	(90,793)
Vehicles	(54,048)	(7,018)	-0-	(61,066)
Total	<u>(513,697)</u>	<u>(41,798)</u>	<u>-0-</u>	<u>(555,495)</u>
Capital assets, net	<u>\$ 158,357</u>	<u>\$ (39,508)</u>	<u>\$ -0-</u>	<u>\$ 118,849</u>

Depreciation expense for the year is \$41,798.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

7) Accounts Payable

Accounts payable represent expenses incurred during the current period but not paid until the subsequent period.

8) Expenditures of the Assessor Paid by the Parish Government

Certain operating expenditures of the St. Charles Parish Assessor's office are paid by the parish council as required by Louisiana Revised Statute 33:4713. The St. Charles Parish Assessor's office is located in the St. Charles Parish Courthouse. The St. Charles Parish Council pays the upkeep, maintenance, and insurance for the courthouse. These expenditures are not reflected in the accompanying financial statements.

9) Deferred Compensation Plan

Certain employees of the St. Charles Parish Assessor's office participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue code (IRC) Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

10) Pension Plan

The St. Charles Parish Assessor contributes to the Louisiana Assessors' Retirement Fund. The Louisiana Assessors' Retirement Fund was created by Act 91 Section 1 of the 1950 regular session of the Legislature of the State of Louisiana. The Louisiana Assessors' Retirement Fund is a cost-sharing, multiple-employer, qualified governmental defined benefit pension plan covering assessors and their deputies employed by any parish of the State of Louisiana, under the provisions of Louisiana Revised Statutes 11:1401 through 1494. The plan is a qualified plan as defined by the Internal Revenue Code Section 401(a), effective January 1, 1998. Membership in the Louisiana Assessors' Retirement Fund is a condition of employment for assessors and their full-time employees.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

Plan Description – continued

Summary of Significant Accounting Policies

The Louisiana Assessors' Retirement Fund prepares its employer pension schedules in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *"Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27."* GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. It provides methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. It also provides methods to calculate participating employers' proportionate share of net pension liability, deferred outflows, deferred inflows, pension expense, and amortization periods for deferred outflows and deferred inflows.

a. Basis of Accounting

The Louisiana Assessors' Retirement Fund's employer pension schedules are prepared using the accrual basis of accounting. Employer contributions, on which the employer allocations are based, are recognized in the period in which the employee is compensated for services performed.

b. Principles of Consolidation

The employer pension schedules include the accounts of the Louisiana Assessors' Retirement Fund and its wholly-owned subsidiary, the Louisiana Assessors' Retirement Fund Excess Benefit Account.

c. Use of Estimates

The preparation of schedules of employer allocations and pension amounts by employer in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities. Accordingly, actual results may differ from estimated amounts.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

Plan Description – continued

d. Plan Fiduciary Net Position

Plan fiduciary net position is a significant component of the Louisiana Assessors' Retirement Fund's collective net pension liability. The Louisiana Assessors' Retirement Fund's plan fiduciary net position was determined using the accrual basis of accounting. The Louisiana Assessors' Retirement Fund's assets, liabilities, revenues, and expenses were recorded with the use of estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates and assumptions primarily relate to actuarial valuations or unsettled transactions and events as of the date of the financial statements and estimates in the determination of the fair market value of the Louisiana Assessors' Retirement Fund's investments. Accordingly, actual results may differ from estimated amounts.

e. Fund Employees

The Louisiana Assessors' Retirement Fund is not allocated a proportionate share of the net pension liability related to its employees. The net pension liability attributed to the Louisiana Assessors' Retirement Fund's employees is allocated to the remaining employers based on their respective employer allocation percentage.

The following brief description of the Louisiana Assessors' Retirement Fund is provided for general information purposes only. Participants should refer to the Plan Agreement for more complete information.

Membership data at December 31, 2019 is as follows:

Employer Members

Louisiana Assessors' offices	64
Louisiana Assessors' Association	<u>1</u>
	<u>65</u>

Employee Members

Current retirees and beneficiaries	563
Terminated vested participants	17
Terminated due a refund	102
Active plan participants	<u>740</u>
	<u>1,422</u>

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

Plan Description – continued

Eligibility requirements and benefit provisions are described in Louisiana Revised Statutes 11:1421 through 1458. The following information is a brief description of the eligibility requirements and benefit provisions.

A. Eligibility Requirements

Members who were hired before October 1, 2013, will be eligible for pension benefits once they have either reached the age of fifty-five and have at least twelve years of service or have at least thirty years of service, regardless of age. Members who were hired on or after October 1, 2013, will be eligible for pension benefits once they have either reached the age of sixty and have at least twelve years of service or have reached the age of fifty-five and have at least thirty years of service.

B. Retirement Benefits

Members whose first employment making them eligible for membership began prior to October 1, 2006, are entitled to annual pension benefits equal to three and one-third percent of their highest monthly average final compensation received during any 36 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members whose first employment making them eligible for membership began on or after October 1, 2006 but before October 1, 2013, are entitled to annual pension benefits equal to three and one-third percent of their highest monthly average final compensation received during any 60 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members whose first employment making them eligible for membership began on or after October 1, 2013 but who have less than thirty years of service, are entitled to annual pension benefits equal to three percent of their highest monthly average final compensation received during any 60 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members whose first employment making them eligible for membership began on or after October 1, 2013 and have thirty or more years of service, are entitled to annual pension benefits equal to three and one-third percent of their highest monthly average final compensation received during any 60 consecutive months, multiplied by their total years of service, not to exceed 100% of monthly average final compensation. Members may elect to receive their pension benefits in the form of a joint and survivor annuity.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

Plan Description – continued

B. Retirement Benefits - continued

If members terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to the employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. Members may elect to receive the actuarial equivalent of their retirement allowance in a reduced retirement payable throughout life with the following options:

1. If the member dies before he has received in retirement payments purchased by his contributions the amount he had contributed to the fund before his retirement, the balance shall be paid to his legal representatives or to such person as he shall nominate by written designation.
2. Upon the member's death, his reduced retirement allowance shall be continued throughout the life of and paid to his surviving spouse.
3. Upon the member's death, one-half of his reduced retirement allowance shall be continued throughout the life of and paid to his surviving spouse.
4. The member may elect to receive some other board-approved benefit or benefits that together with the reduced retirement allowance shall be of equivalent actuarial value to his retirement allowance.

C. Survivor Benefits

The Fund provides benefits for surviving spouses and minor children under certain conditions which are outlined in the Louisiana Revised Statutes.

D. Disability Benefits

The Board of Trustees shall award disability benefits to eligible members who have been officially certified as disabled by the State Medical Disability Board. The disability benefit shall be the lesser of (1) or (2) as set forth below:

1. A sum equal to the greater of forty-five percent (45%) of final average compensation, or the member's accrued retirement benefit at the time of termination of employment due to disability; or

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

Plan Description – continued

D. Disability Benefits - continued

2. The retirement benefit which would be payable assuming accrued creditable service plus additional accrued service, if any, to the earliest normal retirement age based on final average compensation at the time of termination of employment due to disability.

Upon approval for disability benefits, the member shall exercise an optional retirement allowance as provided in R.S. 11:1423 and no change in the option selected shall be permitted after it has been filed with the board. The retirement option factors shall be the same as those utilized for regular retirement based on the age of the retiree and that of the spouse, had the retiree continued in active service until the earliest normal retirement date.

E. Back-Deferred Retirement Option Plan (Back-DROP)

In lieu of receiving a normal retirement benefit pursuant to R.S. 11:1421 through 1423, an eligible member of the Louisiana Assessors' Retirement Fund may elect to retire and have their benefits structured, calculated, and paid as provided in R.S. 11:1456.1.

An active, contributing member of the Louisiana Assessors' Retirement Fund shall be eligible for Back-DROP only if all of the following apply:

1. The member has accrued more service credit than the minimum required for eligibility for a normal retirement benefit.
2. The member has attained an age that is greater than the minimum required for eligibility for a normal retirement benefit, if applicable.
3. The member has revoked their participation, if any, in the Deferred Retirement Option Plan pursuant to R.S. 11:1456.2.

At the time of retirement, a member who elects to receive a Back-DROP benefit shall select a Back-DROP period to be specified in whole months. The duration of the Back-DROP period shall not exceed the lesser of thirty-six months or the number of months of creditable service accrued after the member first attained eligibility for normal retirement. The Back-DROP period shall be comprised of the most recent calendar days corresponding to the member's employment for which service credit in the Fund accrued.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

Plan Description – continued

E. Back-Deferred Retirement Option Plan (Back-DROP) - continued

The Back-DROP benefit shall have two portions: a lump-sum portion and a monthly benefit portion. The member's Back-DROP monthly benefit shall be calculated pursuant to the provisions applicable for service retirement set forth in R.S. 11:1421 through 1423, subject to the following conditions:

1. Creditable service shall not include service credit reciprocally recognized pursuant to R.S. 11:142.
2. Accrued service at retirement shall be reduced by the Back-DROP.
3. Final average compensation shall be calculated by excluding all earnings during the Back-DROP period.
4. Contributions received by the Fund during the Back-DROP period and any interest that has accrued on employer and employee contributions received during the period shall remain with the Louisiana Assessors' Retirement Fund and shall not be refunded to the member or to the employer.
5. The member's Back-DROP monthly benefit shall be calculated based upon the member's age and service and the Louisiana Assessors' Retirement Fund provisions in effect on the last day of creditable service before the Back-DROP period.
6. At retirement, the member's maximum monthly retirement benefit payable as a life annuity shall be equal to the Back-DROP monthly benefit.
7. The member may elect to receive a reduced monthly benefit in accordance with the options provided in R.S. 11:1423 based upon the member's age and the age of the member's beneficiary as of the actual effective date of retirement. No change in the option selected or beneficiary shall be permitted after the option is filed with the Board of Trustees.

In addition to the monthly benefit received, the member shall be paid a lump-sum benefit equal to the Back-DROP maximum monthly retirement benefit multiplied by the number of months selected as the Back-DROP period. Cost-of-living adjustments shall not be payable on the member's Back-DROP lump sum.

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Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

Plan Description – continued

E. Back-Deferred Retirement Option Plan (Back-DROP) - continued

Upon the death of a member who selected the maximum option pursuant to R.S. 11:1423, the member's named beneficiary or, if none, the member's estate shall receive the deceased member's remaining contributions, less the Back-DROP benefit amount. Upon the death of a member who selected Option 1 pursuant to R.S. 11:1423, the member's named beneficiary or, if none, the member's estate, shall receive the member's annuity savings fund balance as of the member's date of retirement reduced by the portion of the Back-DROP account balance and his previously paid retirement benefits that are attributable to the member's annuity payments as provided by the annuity savings fund.

F. Excess Benefit Plan

Under the provisions of this excess benefit plan, a member may receive a benefit equal to the amount by which the member's monthly benefit from the Fund has been reduced because of the limitations of Section 415 of the Internal Revenue Code.

Contributions

Contributions for all members are established by statute at 8.0% of earned compensation. The contributions are deducted from the member's salary and remitted by the participating agency.

Administrative costs of the Louisiana Assessors' Retirement Fund are financed through employer contributions. According to state statute, contributions for all employers are actuarially determined each year. The actuarially - determined employer contribution rate was 9.38% and 5.24% for the years ended December 31, 2019 and 2018, respectively. The actual employer contribution rate was 8.00% and 8.00% of members' earnings for the years ended December 31, 2019 and 2018, respectively.

The Fund also receives one-fourth of one percent of the property taxes assessed in each parish of the state, except for Orleans Parish which is one percent, as well as a state revenue sharing appropriation. According to state statute, in the event that contributions for ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement Systems' Actuarial Committee.

ST. CHARLES PARISH ASSESSOR

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Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

Contributions - continued

Effective January 1, 2000, the St Charles Parish Assessor elected to also pay the employee portion of the retirement contribution. The St. Charles Parish Assessor's contributions to the System for the year ended December 31, 2019 were \$151,172 consisting of the employee portion of \$75,586 and the employer's portion of \$75,586. The St. Charles Parish Assessor's total contributions to the System for the years ending December 31, 2019, 2018, 2017, and 2016 were \$151,172, \$153,962, \$169,863, and \$192,898, respectively, equal to the required contributions for each year.

Schedule of Employer Allocations

In the Louisiana Assessors' Retirement Fund's report, the schedule of employer allocations reports the employer contributions in addition to the employer allocation percentage. The employer contributions are used to determine the proportionate relationship of each employer to all employers of the Louisiana Assessors' Retirement Fund. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

In the Louisiana Assessors' Retirement Fund's report, the allocation method used in determining each employer's proportion was based on the employer's contribution effort to the plan for the current year as compared to the total of all employers' contribution effort to the plan for the current year. The employers' contribution effort was based on actual employer contributions made to the Louisiana Assessors' Retirement Fund for the year ended December 31, 2019.

Schedule of Pension Amounts by Employer

In the Louisiana Assessors' Retirement Fund's report, the schedule of pension amounts by employer displays each employer's allocation of the net pension liability, the various categories of deferred outflows of resources, the various categories of deferred inflows of resources, and the various categories of pension expense. The schedule of pension amounts by employer was prepared using the allocations included in the schedule of employer allocations.

Actuarial Methods and Assumptions

Net Pension Liability

In the Louisiana Assessors' Retirement Fund's report, the net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

Actuarial Methods and Assumptions - continued

Net Pension Liability - continued

The components of the net pension liability of the Louisiana Assessors' Retirement Fund's participating employers are as follows:

Total pension liability	\$ 448,943,386
Plan fiduciary net position	<u>422,565,188</u>
Net pension liability	<u>\$ 26,378,198</u>
Plan fiduciary net position as a percentage of total pension liability	<u>94.12%</u>

The current year actuarial assumptions utilized for the Louisiana Assessors' Retirement Fund's report are based on the assumptions used in the December 31, 2019 actuarial funding valuation, which (with the exception of mortality) were based on results of an actuarial experience study for the period from October 1, 2009 through September 30, 2014. All assumptions selected were determined to be reasonable and represent the Louisiana Assessors' Retirement Fund's expectations of future experience for the Louisiana Assessors' Retirement Fund.

Additional information on the actuarial methods and assumptions used in the Louisiana Assessors' Retirement Fund's report as of the December 31, 2019 actuarial valuation follows:

Actuarial Cost Method	Entry age normal.
Investment Rate of Return (discount rate)	6.00%, net of pension plan investment expense, including inflation.
Inflation Rate	2.20%.
Salary Increases	5.75%.
Annuitant and Beneficiary Mortality	RP-2000 Healthy Annuitant Table set forward one year and projected to 2030 for males and projected to 2030 for females with no set forward.

ST. CHARLES PARISH ASSESSOR

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Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

Actuarial Methods and Assumptions – continued

Net Pension Liability - continued

Active Member Mortality	RP-2000 Employee Table set back four years for males and three years for females.
Disabled Lives Mortality	RP-2000 Disabled Lives Mortality Table set back five years for males and three years for females.

Discount Rate

In the Louisiana Assessors' Retirement Fund's report, the long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.5%, and an adjustment for the effect of rebalancing/diversification. The resulting long-term expected arithmetic nominal return was 8.38% as of December 31, 2019.

Best estimates of arithmetic real rates of return for each major asset class included in the Louisiana Assessors' Retirement Fund's target asset allocation as of December 31, 2019, are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
	<u>2019</u>
Domestic equity	7.50%
International equity	8.50%
Domestic bonds	2.50%
International bonds	3.50%
Real estate	4.50%
Alternate assets	6.24%

ST. CHARLES PARISH ASSESSOR

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Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

Actuarial Methods and Assumptions – continued

Discount Rate - continued

The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially-determined contribution rates, which are calculated in accordance with relevant statutes and approved by the Board of Trustees and the Public Retirement Systems' Actuarial Committee. Based on these assumptions, the Louisiana Assessors' Retirement Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to Changes in Discount Rate

In the Louisiana Assessors' Retirement Fund's report, the following presents the net pension liability of the participating employers calculated using the discount rate of 6.00%, as well as what the net pension liability of the participating employers would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Changes in Discount Rate		
	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
2019 Net pension liability (assets)	<u>\$74,949,978</u>	<u>\$26,378,198</u>	<u>\$(15,252,948)</u>

Changes in Net Pension Liability

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), determined as of the beginning of the measurement period. The effect on net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. The expected remaining service lives for 2019 is 6 years.

ST. CHARLES PARISH ASSESSOR

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Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

Changes in Net Pension Liability - continued

In the Louisiana Assessors' Retirement Fund's report, the changes in the net pension liability for the year ended December 31, 2019 were recognized in the current reporting period as pension expense except as follows:

Differences between Expected and Actual Experience

In the Louisiana Assessors' Retirement Fund's report, the differences between expected and actual experience resulted in deferred outflows of resources and deferred inflows of resources and pension expense (benefit) as of December 31, 2019 as follows:

			December 31, 2019		
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Pension Expense (Benefit)</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
2019	\$ -0-	\$ 7,561,327	\$ (1,260,222)	\$ -0-	\$ 6,301,105
2018	-0-	5,123,007	(1,024,602)	-0-	4,098,405
2017	-0-	2,400,456	(600,115)	-0-	1,800,341
2016	1,466,869	-0-	488,956	977,913	-0-
2015	-0-	490,990	(245,496)	-0-	245,494
2014	-0-	886,035	(886,035)	-0-	-0-
				<u>\$ 977,913</u>	<u>\$12,445,345</u>

Differences between Projected and Actual Investment Earnings

In the Louisiana Assessors' Retirement Fund's report, the differences between projected and actual investment earnings resulted in net deferred inflows of resources and pension expense (benefit) as of December 31, 2019 as follows:

			December 31, 2019			
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Pension Expense (Benefit)</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Net Deferred Outflows (Inflows)</u>
2019	\$ 8,966,928	\$ -0-	\$ 1,793,384	\$ 7,173,544	\$ -0-	\$ 7,173,544
2018	-0-	2,930,241	(732,561)	-0-	2,197,680	(2,197,680)
2017	-0-	10,370,274	(3,456,755)	-0-	6,913,519	(6,913,519)
2016	-0-	2,250,383	(1,125,192)	-0-	1,125,191	(1,125,191)
2015	5,653,096	-0-	5,653,096	-0-	-0-	-0-
				<u>\$ 7,173,544</u>	<u>\$10,236,390</u>	<u>\$ (3,062,846)</u>

ST. CHARLES PARISH ASSESSOR

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Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

Changes in Net Pension Liability - continued

Changes of Assumptions or Other Inputs

In the Louisiana Assessors' Retirement Fund's report, the changes in assumptions resulted in deferred outflows of resources and pension expense as of December 31, 2019 as follows:

	December 31, 2019				
	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>	<u>Pension Expense (Benefit)</u>	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
2019	\$ 11,248,225	\$ -0-	\$ 1,874,707	\$ 9,373,518	\$ -0-
2018	17,028,592	-0-	3,405,719	13,622,873	-0-
2017	6,342,225	-0-	1,585,558	4,756,667	-0-
2016	-0-	-0-	-0-	-0-	-0-
2015	207,670	-0-	103,835	103,835	-0-
2014	1,367,692	-0-	1,367,692	-0-	-0-
				<u>\$ 27,856,893</u>	<u>\$ -0-</u>

Changes in Proportion

In the Louisiana Assessors' Retirement Fund's report, changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The unauthorized amounts arising from changes in the employers' proportionate shares are presented in the Louisiana Assessors' Retirement Fund's report in the schedule of pension amounts by employer as deferred outflows or deferred inflows as of December 31, 2019.

Contributions – Proportionate Share

In the Louisiana Assessors' Retirement Fund report, differences between contributions remitted to the Louisiana Assessors' Retirement Fund and the employer's proportionate share are recognized in pension expense (benefit) using the straight line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of pension amounts by employer due to differences that could arise between contributions reported by the Louisiana Assessors' Retirement Fund and contributions reported by the participating employer.

ST. CHARLES PARISH ASSESSOR

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Notes to Basic Financial Statements – Continued

10) Pension Plan – continued

Contributions – Proportionate Share - continued

At December 31, 2019, the St. Charles Parish Assessor reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 20,585	\$ 336,325
Difference between actual and proportionate share of contributions	393,116	-0-
Amortization of deferred outflows	(185,726)	-0-
Changes of assumptions	586,362	-0-
Change in proportion and differences between the employer's contributions and the employer's proportionate share of contributions	14,587	-0-
Net differences between projected and actual earnings on plan investments	-0-	-0-
Contributions subsequent to the measurement date	151,172	-0-
Adjustments	(137,652)	-0-
Total	<u>\$ 842,444</u>	<u>\$ 336,325</u>
Proportionate Share of Employer Contributions	<u>\$ 75,305</u>	
Proportionate Share of Non-Employer Contributions	<u>\$ 291,477</u>	

Schedule of Remaining Amortization

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>Total</u>
<u>\$ 65,521</u>	<u>\$ 55,905</u>	<u>\$ 44,474</u>	<u>\$ 28,381</u>	<u>\$ 13,109</u>	<u>\$ 207,390</u>

Retirement Fund Audit Report

The Louisiana Assessors' Retirement Fund has issued a stand-alone audit report on its financial statements for the year ended September 30, 2019. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.gov, or by contacting the Louisiana Assessors' Retirement Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898.

Subsequent Events

In the Louisiana Assessors' Retirement Fund's report, the Louisiana Assessors' Retirement Fund evaluated all subsequent events through March 5, 2020, the date the employer pension schedules were available to be issued. As a result, management noted no subsequent events that required adjustment to, or disclosure in, the employer pension schedules included in the Louisiana Assessors' Retirement Fund's report.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

11) Postemployment Benefits Other Than Pensions

The St. Charles Parish Assessor provides certain continuing health care and life insurance benefits for its retired employees and their spouses. Substantially all of the St. Charles Parish Assessor's employees become eligible for these benefits if they reach normal retirement age while working for the St. Charles Parish Assessor. These benefits for retirees and similar benefits for active employees are provided through the Louisiana Assessor's Association Insurance Fund, whose monthly premiums are paid by the St. Charles Parish Assessor. There are 9 retirees (including spouses) and 14 active employees participating in the insurance program during this year.

Plan Description

The St. Charles Parish Assessor contributes to a single-employer defined benefit healthcare plan ("the Retiree Health Plan"). The plan provides lifetime healthcare and life insurance for eligible retirees through the Louisiana Assessors' Insurance Fund group health insurance plan. Benefit provisions are established in accordance with LRS 47:1923. The Retiree Health Plan does not issue a publicly available financial report.

All employees are eligible to elect medical coverage upon retiring at:
Age 55 with at least 20 years of service, or;
Any age with at least 30 years of service.

Coverage is provided to spouses of retirees who are currently receiving benefits. If the retiree predeceases the spouse, coverage for the surviving spouse continues.

The St. Charles Parish Assessor's basic financial statements have been prepared in conformity with Government Accounting Standards Board Statement Number 75, *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"* (GASB 75). This statement replaces GASB Number 45.

Funding Policy

The St. Charles Parish Assessor contributes 100% of the cost of current year premiums for eligible retired employees and their spouses. The St. Charles Parish Assessor recognizes the cost of providing these benefits (the St. Charles Parish Assessor's portion of premiums) as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis. For the year ended December 31, 2019, the St. Charles Parish Assessor contributed \$137,542 to the plan.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

11) Postemployment Benefits Other Than Pensions – continued

Total OPEB Liability

The Assessor's total OPEB liability \$3,831,898 was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and other inputs – The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.30%
Salary increases	3.00%, including inflation
Discount rate	4.10%, annually
Healthcare cost trend rate	Starts off at 4.30%, Non-Medicare Retirees and 4.70%, Medicare Retirees and reflects the ACA Excise Tax effective 2022.

Mortality rates for healthy retirement were based on sex-distinct Pub-2010 General Mortality with separate employee, healthy annuitant rates and projected generationally using scale MP-2019; and for disability retirement were based on sex-distinct Pub-2010 General Disabled Retirees Mortality projected generationally using scale MP-2019.

The actuarial assumptions used in the December 31, 2019 valuation, with the exception of those set by law, were set based on industry standard published tables and data, the particular characteristics of the plan, relevant information from the plan sponsor or other sources about future expectations, and the professional judgement of the actuary regarding future plan experience.

Changes in the Total OPEB Liability

Balance at December 31, 2018	\$ 3,088,006
Changes for the year:	
Service cost	49,685
Interest	125,854
Effect of economic/demographic gains or losses	-0-
Changes in assumptions	705,895
Benefit payments and net transfers	(137,542)
Net changes	<u>743,892</u>
Balance at December 31, 2019	<u>\$ 3,831,898</u>

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

11) Postemployment Benefits Other Than Pensions – continued

Changes in the Total OPEB Liability – continued

Sensitivity of the total OPEB liability to changes in the discount rate – The following presents the total OPEB liability of the Assessor, calculated using a discount rate of 2.74%, as well as what the Assessor's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.74%) or 1 percentage point higher (3.74%) than the current discount rate:

	1.0% Decrease (1.74%)	Current Discount Rate (2.74%)	1.0% Increase (3.74%)
Total OPEB liability	<u>\$ 4,649,877</u>	<u>\$ 3,831,898</u>	<u>\$ 3,205,421</u>

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates – The following presents the total OPEB liability of the Assessor, calculated using current healthcare cost trend rates as well as what the Assessor's total OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates:

	1.0% Decrease	Current Trend Rate	1.0% Increase
Total OPEB liability	<u>\$ 3,294,669</u>	<u>\$ 3,831,898</u>	<u>\$ 4,527,677</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the Assessor recognized OPEB expense of \$62,941. At December 31, 2019, the Assessor reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -0-	\$ (76,432)
Changes in assumptions	564,716	(516,000)
Amortization of Deferred Inflows	-0-	56,299
Total	<u>\$ 564,716</u>	<u>\$ (536,133)</u>

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

11) Postemployment Benefits Other Than Pensions – continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Years ending December 31:</u>	
2020	(56,299)
2021	(56,299)
2022	(56,299)
2023	141,179
2024	-0-
Thereafter	-0-

12) Leases

The St. Charles Parish Assessor did not have any capital or operating lease commitments as of and for the year ended December 31, 2019.

13) Risk Management

The St. Charles Parish Assessor is exposed to various risks of loss related to torts; theft to, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters. The St. Charles Parish Assessor has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the current or prior three fiscal years that exceeded the insurance coverage for the past three years.

14) Litigations and Claims

At December 31, 2019, the St. Charles Parish Assessor's office was not involved in any claims or litigation which would be required to be disclosed in these financial statements.

15) Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements to determine the accounting for and disclosure of transactions and events that effect the financial statements. Subsequent events have been evaluated through June 24, 2020 which is the date the financial statements were available to be issued. A strain of coronavirus was reported in Louisiana in March 2020, and continues to spread throughout the United States. The COVID-19 outbreak has disrupted business. While the disruption is currently expected to be temporary, there is considerable uncertainty concerning the duration. The related financial impact and duration cannot be reasonably estimated at this time.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

16) Effects of GASB 77

GASB Statement No. 77, "Tax Abatement Disclosures," requires governments to disclose in the notes to their financial statements certain information related to tax abatement agreements. Tax abatements are used by state and local governments to encourage economic development, and are defined as an agreement between a government and another entity in which the government agrees to forgo tax revenues, and the entity agrees to subsequently take a specific action that contributes to the economic development or otherwise benefits the government or its citizens. GASB 77 requires disclosure of the tax abatement information that reduce the reporting government's tax revenues. As explained below, the Assessor's Tax Abatements fall under three different categories: State Industrial Abatements, Parish Council Abatements, and Parish Industrial Development Board Abatements.

STATE INDUSTRIAL ABATEMENTS

State Industrial Abatements affect the manufacturing industry in St. Charles Parish, and are a constitutional exemption granted by the Louisiana Board of Commerce & Industry. The Louisiana Industrial Ad Valorem Tax Exemption Program (ITEP) exempts up to ten years of Ad Valorem Taxes on a manufacturer's new investment and annual capitalized additions related to the manufacturing site. The following is a listing of the State issued Industrial Abatements in St. Charles Parish as of December 31, 2019:

	Total 2019 Tax Abatement
Air Products & Chemicals	\$ 2,899,496
Air Products & Chemicals	2,407,852
Arkema Inc.	359,962
Barriere Construction	45,798
Air Liquide Large Industries	114,212
Beard of Louisiana	18,966
Bunge	3,066,051
GE Oil and Gas Compression Systems, LLC	2,405
D&G Investments of St. Rose	77,791
Diamond Green Diesel, LLC	5,258,947
Entergy Louisiana	26,642,699
Entergy Louisiana	1,024,552
Galata Chemicals, LLC	104,631
Hexion Specialty Chemicals	854,875
MMP SCO, LLC	515
Monsanto Chemical Co	2,182,059
Equillon Enterprises, LLC d/b/a SOPUS	10,799,275
Shell Chemical Corp	84,822
Shell Chemical Corp	1,771,062

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes to Basic Financial Statements – Continued

16) Effects of GASB 77 - continued

STATE INDUSTRIAL ABATEMENTS - continued

Southern Precision	45,889
Specialty Products US, LLC	43,448
Union Carbide	6,056,263
Valero Refining	40,241,656
W.R. Grace & Co.	42,820
Enterprise Gas Processing, LLC	171,974
Praxair Inc	3,354,063
Rain CII Carbon	46,031
	<u>\$ 107,718,114</u>

PARISH COUNCIL ABATEMENTS

Parish Council Abatements are granted by the St. Charles Parish Council to act as incentives for economic development projects within the Parish. They are designated to attract investment, development, and employment, and allow tax exemption for real estate development. The project called "Payment in Lieu of Taxes" (PILOT) is designed "to assist development and the community with additional jobs, sales tax revenue, and other benefits to equal or exceed the reduction in property tax payments." The following is a listing of the Parish Council Abatements as of December 31, 2019:

	Total
	2019 Tax
	Abatement
Randa	<u>\$ 142,747</u>
	<u>\$ 142,747</u>

PARISH INDUSTRIAL DEVELOPMENT BOARD ABATEMENTS

The Industrial Development Board of the Parish of St. Charles, Louisiana, Inc. is a nonprofit corporation which was organized to encourage and assist in the development of new businesses or industries, and to rehabilitate and assist existing businesses and industries. The seven member board, under the authority of the St. Charles Parish Council, has authority to issue industrial revenue bonds, to assist in bringing economic growth to the Parish. The following is a listing of the Parish Industrial Development Board Abatements in St. Charles Parish as of December 31, 2019:

	Total
	2019 Tax
	Abatement
Kongsberg Maritime	<u>\$ 239,210</u>
Kongsberg Maritime	2,444
Bents RV	10,696
	<u>\$ 252,350</u>

REQUIRED SUPPLEMENTARY INFORMATION (Part II)

St. Charles Parish Assessor

Hahnville, Louisiana

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual Year Ended December 31, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenue:				
Ad valorem tax	\$ 2,087,500	\$ 2,077,207	\$ 2,095,500	\$ (18,293)
State revenue sharing	32,650	31,653	31,467	186
Interest on investments	45,000	69,179	65,938	3,241
Sale & preparation of tax roll	500	516	775	(259)
Gain on sale of assets	<u>-0-</u>	<u>50</u>	<u>50</u>	<u>-0-</u>
Total general revenue	<u>2,165,650</u>	<u>2,178,605</u>	<u>2,193,730</u>	<u>(15,125)</u>
Expenditures				
General government – taxation:				
Salaries	944,600	947,209	944,827	2,382
Office expenditures	72,000	59,434	64,705	(5,271)
Uniforms	-0-	-0-	1,814	(1,814)
Disability insurance	500	520	480	40
Dues & subscriptions	10,000	9,176	9,176	-0-
Equipment maintenance	30,000	33,433	33,726	(293)
Insurance	7,800	8,398	8,238	160
Telephone	9,800	9,678	9,704	(26)
Travel and conventions	27,000	15,571	16,071	(500)
Payroll taxes	16,354	16,626	16,594	32
Automobile expenditures	4,500	4,646	4,865	(219)
Employer's contribution to group insurance	425,000	387,672	387,437	235
Employer's contribution to retirement	147,950	145,262	151,172	(5,910)
Deferred compensation	95,985	104,484	104,156	328
Contracted services	96,200	87,078	92,412	(5,334)
Other expenditures	5,000	2,153	-0-	2,153
Capital outlay	10,000	4,450	2,290	2,160
Loss on investments	<u>-0-</u>	<u>-0-</u>	<u>2,802</u>	<u>(2,802)</u>
Total expenditures	<u>1,902,689</u>	<u>1,835,790</u>	<u>1,850,469</u>	<u>(14,679)</u>
Net change in fund balance	262,961	342,815	343,261	(446)
Fund balances:				
Beginning of the year	<u>4,144,929</u>	<u>4,160,666</u>	<u>4,160,666</u>	<u>-0-</u>
End of the year	<u>\$ 4,407,890</u>	<u>\$ 4,503,481</u>	<u>\$ 4,503,927</u>	<u>\$ (446)</u>

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Schedule of Changes in Total OPEB Liability and Related Ratios
For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 49,685	\$ 97,302
Interest	125,854	138,141
Changes of benefit terms	-0-	-0-
Effect of economic/demographic gains or losses	-0-	(127,388)
Changes of assumptions	705,895	(860,000)
Benefit payments	<u>(137,542)</u>	<u>(155,655)</u>
Net change in total OPEB liability	743,892	(907,600)
Total OPEB liability – beginning	<u>3,088,006</u>	<u>3,995,606</u>
Total OPEB liability – ending	<u>\$3,831,898</u>	<u>\$3,088,006</u>
Covered payroll	<u>\$1,016,215</u>	<u>\$ 926,507</u>
Net OPEB liability as a percentage of covered payroll	<u>377.08%</u>	<u>333.30%</u>

Notes to Schedule:

Benefit Changes. There were no changes of benefit terms for the year ended December 31, 2019.

Changes of Assumptions. The discount rate as of 12/31/18 was 4.10% and it changed to 2.74% as of 12/31/19.

This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Schedule of the Employer's Proportionate Share
Of the Net Pension Liability
Year Ended December 31, 2019

Louisiana Assessors' Retirement Fund:

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's Proportion of the Net Pension Liability (Assets)	<u>2.10%</u>	<u>2.21%</u>	<u>2.18%</u>	<u>2.14%</u>	<u>2.11%</u>
Employer's Proportionate Share of the Net Pension Liability (Asset)	<u>\$555,238</u>	<u>\$428,719</u>	<u>\$382,709</u>	<u>\$755,293</u>	<u>\$1,101,696</u>
Employer's Covered-Employee Payroll	<u>\$944,827</u>	<u>\$979,775</u>	<u>\$972,827</u>	<u>\$937,403</u>	<u>\$907,591</u>
Employer's Proportionate Share of Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	<u>58.77%</u>	<u>43.76%</u>	<u>39.34%</u>	<u>80.57%</u>	<u>121.39%</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>94.12%</u>	<u>95.46%</u>	<u>95.61%</u>	<u>90.68%</u>	<u>85.57%</u>

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The amounts presented have a measurement date of the previous year end.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Schedule of the Employer's Pension Contributions
Year Ended December 31, 2019

Louisiana Assessors' Retirement Fund:

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$74,916	\$ 77,765	\$95,752	\$125,805	\$119,419
Contributions in relation to contractually required contributions	<u>151,172</u>	<u>153,962</u>	<u>169,863</u>	<u>192,898</u>	<u>195,132</u>
Contribution deficiency (excess)	<u>\$(76,256)</u>	<u>\$(76,197)</u>	<u>\$(74,111)</u>	<u>\$(67,093)</u>	<u>\$(75,713)</u>
Employer's Covered Employee Payroll	<u>\$944,827</u>	<u>\$979,775</u>	<u>\$972,827</u>	<u>\$937,403</u>	<u>\$907,591</u>
Contributions as a % of Covered Employee Payroll	<u>16.00%</u>	<u>15.71%</u>	<u>17.46%</u>	<u>20.58%</u>	<u>21.50%</u>

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The amounts presented have a measurement date of the previous year end.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Notes To The Required Supplementary Information
For the Year Ended December 31, 2019

1. BUDGETARY BASIS OF ACCOUNTING

The General Fund budgetary comparison schedule has been presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

2. PENSION

Changes in Benefit Terms

There were no changes of benefit terms during any of the years presented.

Changes of Assumptions

The following are the assumptions for the fiscal years ended December 31, 2019 and 2018:

Reporting Date	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Valuation Date	<u>September 30, 2019</u>	<u>September 30, 2018</u>
Inflation Rate	2.20%	2.20%
Project Salary Increases	5.75%	5.75%
Discount Rate	6.00%	6.25%

OTHER SUPPLEMENTARY INFORMATION

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Schedule of Compensation, Benefits, and Other Payments to
Agency Head or Chief Executive Officer
Year Ended December 31, 2019

Agency Head Name: Tab Troxler

Purpose

Salary	\$ 158,746
Benefits – insurance	24,267
Benefits – retirement	25,399
Benefits – other (match deferred comp)	8,250
Car allowance	-0-
Vehicle provided by government	2,570
Per diem	-0-
Reimbursements – cell phones, tolls, car rental	-0-
Travel	-0-
Registration fees	525
Conference travel	697
Continuing professional education fees	-0-
Housing	-0-
Unvouchered expenses	-0-
Meals	172
	<u>\$ 220,626</u>

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Mr. Tab T. Troxler
St. Charles Parish Assessor
Hahnville, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the St. Charles Parish Assessor as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the St. Charles Parish Assessor's basic financial statements, and have issued our report thereon dated June 24, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the St. Charles Parish Assessor's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. Charles Parish Assessor's internal control. Accordingly, we do not express an opinion on the effectiveness of the St. Charles Parish Assessor's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of current and prior year audit findings and responses, that we consider to be a material weakness.

Compliance and Other Matters

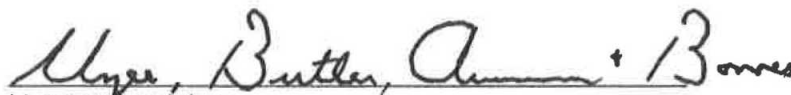
As part of obtaining reasonable assurance about whether the St. Charles Parish Assessor's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The St. Charles Parish Assessor's Response to Findings

The St. Charles Parish Assessor's response to the findings identified in our audit is described in the accompanying schedule of findings. The St. Charles Parish Assessor's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Harvey, Louisiana
June 24, 2020

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Schedule of Findings
Year Ended December 31, 2019

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the St. Charles Parish Assessor.
2. A material weakness relating to the audit of the financial statements is reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards. The material weakness results from a lack of adequate segregation of duties within the accounting department of the St. Charles Parish Assessor. Per Management, the cost-benefit and limited number of personnel in the accounting department do not allow for adequate segregation of duties. However, it is our recommendation that Management should closely monitor the day-to-day activities of the St. Charles Parish Assessor. The Management of the St. Charles Parish Assessor concurs with this finding.
3. No instances of noncompliance material to the financial statements of the St. Charles Parish Assessor are disclosed in Part B of this schedule.

B. FINDING – FINANCIAL STATEMENTS AUDIT

See next page.

ST. CHARLES PARISH ASSESSOR

Hahnville, Louisiana

Schedule of Current and Prior Year Audit Findings and Responses Year Ended December 31, 2019

<u>Ref No.</u>	<u>Fiscal Year Findings Initially Occurred</u>	<u>Description of Findings</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
CURRENT YEAR (12/31/19)						
<u>Internal Control:</u>						
19-01	Unknown	The St. Charles Parish Assessor does not have adequate segregation of duties within the Accounting Department.	N/A	Because of the cost-benefit and limited number of personnel in the Accounting Department, it is not possible to achieve adequate segregation of duties. However, it is our recommendation that Management should closely monitor the day-to-day activities of the St. Charles Parish Assessor. The Management of the St. Charles Parish Assessor concurs with this finding.	Tab Troxler St. Charles Parish Assessor	N/A
PRIOR YEAR (12/31/18)						
<u>Internal Control:</u>						
18-01	Unknown	The St. Charles Parish Assessor does not have adequate segregation of duties within the Accounting Department.	N/A	Same as above.	Tab Troxler St. Charles Parish Assessor	N/A

ST. CHARLES PARISH ASSESSOR
Hahnville, Louisiana

Independent Accountant's Report
on Applying Agreed-Upon Procedures

Year Ended December 31, 2019

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Independent Accountant's Report On Applying Agreed-Upon Procedures

Mr. Tab Troxler
St. Charles Parish Assessor
Hahnville, Louisiana

We have performed the procedures enumerated below, which were agreed to by the St. Charles Parish Assessor and the Louisiana Legislative Auditor on the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures for the period January 1, 2019 through December 31, 2019. The St. Charles Parish Assessor's management is responsible for those control and compliance areas identified in the Statewide Agreed-Upon Procedures.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.

- d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Findings: We obtained the St. Charles Parish Assessor's written policies and procedures manual. The policies and procedures manual addresses each of the following categories and subcategories as listed above, except debt service which is not applicable to the St. Charles Parish Assessor and disaster recovery/business continuity, which is explained below:

- *Budgeting.*
- *Purchasing.*
- *Disbursements.*

- *Receipts/Collections.*
- *Payroll/Personnel.*
- *Contracting.*
- *Credit Cards, Debit Cards, Fuel Cards, and P-Cards.*
- *Travel and Expense Reimbursement.*
- *Ethics.*
- *Debt Service (not applicable).*

The St. Charles Parish Assessor has backup procedures in place through Benecom IT Contractors who utilize the Barracuda backup device and Sophos Endpoint Antivirus on all user devices and servers to address the items listed under disaster recovery/business continuity. The St. Charles Parish Assessor is in the process of updating its policies and procedures manual to include all of the items listed under disaster recovery/business continuity.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the period.
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Findings: This section, regarding board/finance committee minutes, is not applicable to the St. Charles Parish Assessor.

Bank Reconciliations

3. Obtain a listing of client bank accounts for the period from management and management's representation that the listing is complete. Ask management to identify the entity's main

operating account. Select the entity's main operating account and randomly select 5 additional accounts (or all accounts if less than 5). Randomly select one month from the period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged).
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged).
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Findings: We obtained a listing of The St. Charles Parish Assessor's bank accounts from the client's trial balance. Management stated that this listing is complete in their management representation letter dated June 24, 2020.

We obtained from the listing, the bank statements and bank reconciliations for each month in the period for all of the entity's bank accounts.

For each month, a reconciliation was prepared on all accounts by an independent CPA. All reconciliations were prepared within two months of the related statement closing date.

All of the bank statements and bank reconciliations were signed by a member of management as evidence that a member of management who does not handle cash, post ledgers, or issue checks reviewed the statement and reconciliation.

The bank reconciliations reflect no reconciling items that have been outstanding for more than twelve months from the statement closing date.

Collections (excluding EFTs)

- 4. Obtain a listing of deposit sites for the period where deposits for cash/checks/money orders are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- 5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 10 deposits, and:
- a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Findings: We obtained a listing of deposit sites and collection locations for the period from the management of the St. Charles Parish Assessor. Management stated that this listing is complete in their management representation letter dated June 24, 2020.

The only deposit site and collection location for the St. Charles Parish Assessor is their main business office in the St. Charles Parish Court House.

We selected the business office as the deposit site and collection location for our examination, obtained and inspected written policies and procedures related to employee job duties, and observed that job duties are properly segregated at the collection location.

Employees that are responsible for fund collections do not use or share cash drawers.

The employee that is responsible for collecting funds is not responsible for preparing/making bank deposits, posting collection entries to the general ledger, or reconciling cash collections to the general ledger. Posting entries to the general ledger and reconciling collections to the general ledger are done by an independent CPA during the bank reconciliation process.

The Assessor's office has a fidelity bond in force which covers the Chief Deputy Assessor and Administrative Assistant, who are the employees who have access to collections.

We selected more than ten deposit dates from the bank account statement and obtained supporting documentation for each of the deposits.

The entity does not have a system of sequentially numbered receipts, but all deposits are recorded in the entity's accounting system and balanced during the bank reconciliation process to their bank account by a person who is not responsible for collecting the funds.

We traced the deposit slip totals to the actual deposit per the bank statement. Most deposits were made within one day of collection.

We traced the deposits per the bank statement to the general ledger. All deposits examined were properly recorded and accounted for in the St. Charles Parish Assessor's general ledger.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. Obtain a listing of locations that process payments for the period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); should not be reported.]

10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
- a) Observe that the disbursement matched the related original invoice/billing statement.
 - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Findings: We obtained a listing of the locations that process payments from the management of the St. Charles Parish Assessor. Management stated that this listing is complete in their management representation letter dated June 24, 2020.

We obtained a listing of those employees involved with non-payroll and payment functions. We obtained the written policies and procedures relating to those employees' job duties and observed that their job duties were properly segregated.

All purchases were initiated using a purchase order system (where appropriate) that separates the initiation from approval functions and requires at least two employees be involved in the process. Each purchase order was approved by an employee who did not initiate the purchase.

Payments for purchases were not processed without an approved purchase order, a receiving report showing receipt of the goods purchased, and an approved invoice.

The Assessor's office does not add vendors to their purchasing/disbursement system. This is done by an independent CPA who does not initiate purchases.

The person who has signatory authority gives the signed checks to an employee for mailing. This employee is not responsible for processing payments.

We obtained the entity's non-payroll disbursement transaction population from the entity's check register. Management stated that this population is complete in their management representation letter dated June 24, 2020.

We selected over 25 disbursements from the Assessor's check register and obtained supporting documentation for each disbursement.

All disbursements inspected matched the original invoice/billing statement.

All disbursement documentation included evidence of segregation of duties such as purchase orders that separate the initiation and approval functions and approval by an employee who is not involved in processing payments.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Findings: We obtained a listing of the St. Charles Parish Assessor's credit cards and fuel cards accounts and the individuals who had possession of those cards. Management stated that this listing is complete in their management representation letter dated June 24, 2020. The Assessor's office does not maintain any bank debit cards or P-cards.

The Assessor's office has two Visa accounts which are rarely used. It is the Assessor's preference to only use these cards when necessary. We obtained the monthly statements for the Visa cards and selected all twelve months to examine. Our examination of the purchases indicated that the main use of the Visa cards was for seminars and on-line courses. The purchases examined included all proper documentation.

The Assessor's office has three fuel cards. Each is assigned to one of three vehicles used by the Assessor's office. We obtained the monthly statements for the fuel cards and selected all twelve months to examine. All months examined appeared reasonable in usage. For all of the months examined, proper documentation was included.

All of the monthly statements on the Visa and fuel cards contain evidence of having been reviewed and approved by a member of management other than the authorized card holder.

On all cards selected, payment from the prior month was processed by the bank before interest accrued. Therefore, there were no finance charges or late fees assessed.

We selected all of the transactions on the Visa cards to examine. All purchases were evidenced by an itemized receipt and all Visa card receipts were marked with the business/public purpose.

We found that some Visa card receipts were not marked with the business/public purpose for each transaction. A recommendation was made to list the business/public purpose on all Visa receipts.

None of the Visa charges were for meals and, as such, documentation was not required that would list the individuals participating in the meals.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U. S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than person receiving reimbursement.

Findings: We obtained a listing of all travel and travel-related expense reimbursements during the period from the management of the St. Charles Parish Assessor. Management stated that this listing is complete in their management representation letter dated June 24, 2020.

The Assessor's written policies and procedures manual contains their policies and procedures regarding travel and travel-related expense reimbursement. The policies and procedures are in accordance with rates established by the U. S. General Services Administration.

We selected twenty-five reimbursements, and obtained the related expense reimbursement forms and the supporting documentation. For the twenty-five items selected for testing, all expense reimbursements were evidenced by original itemized receipts, one was lacking the business/public purpose and also did not contain approval. A recommendation was made that all expense reimbursements be marked with the business public purpose and contain authorization.

All of the selected expense reimbursements were in accordance with written policy. A recommendation was made that all expense reimbursements in the future include original itemized receipts and that all receipts for meals be marked with business purpose, and contain authorization.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.

- d) Randomly select one payment from the period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Findings: We obtained a listing of all agreement/contracts in effect during the period from the management of the St. Charles Parish Assessor. Management stated that this listing is complete in their management representation letter dated June 24, 2020.

We selected five contract vendors that were paid during the period and obtained the related contracts and paid invoices.

Our inspection found that either the Louisiana Public Bid Law or the entity's purchasing guidelines, which include obtaining quotes, were consistently followed.

Because the entity does not have a board or board minutes, the procedure to compare approval for each contract to the minutes was not applicable, but all contracts were approved by a member of management.

Our inspection of the contracts found that there were no amendments made to the contracts selected.

We selected one payment from each of the five contracts selected above and obtained the supporting invoices. Our inspection found that a formal, written contract was in place for each item selected and the services and amounts paid were properly supported and in agreement with the contract terms and conditions.

Payroll and Personnel

16. Obtain a listing of employees/elected officials who were employed during the period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). [Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.]
 - b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- 18. Obtain a listing of those employees/officials that received termination payments during the period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employees/officials' cumulative leave records, and agree the pay rates to the employees/officials' authorized pay rates in the employees/officials' personnel files.
- 19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and worker's compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Findings: We obtained a listing of all employees/elected officials who were employed and all employees/officials who received termination payments from the management of the St. Charles Parish Assessor. Management stated that these listings are complete in their management representation letter dated June 24, 2020.

We selected five employees/officials and obtained their salaries and personnel files. We examined the payments made to each employee/official and found that the payments made to the employees/officials were made in accordance with the terms and conditions of the employee/official's employment contract or pay rate structure.

We obtained the entity's attendance and leave records, selected the same employees/officials as above, and examined their attendance and leave records. All attendance and leave was properly documented by the employees/officials, computed by the Administrative Assistant, and approved by the Chief Deputy Assessor. The entity maintains a proper cumulative listing of leave earned and used, and the balances available for each employee/official.

Our examination showed that there were no employees who terminated their employment during the period.

Management stated, in their management representation letter dated June 24, 2020, that all of the employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums were paid, and the associated forms were filed by their required deadlines. We obtained copies of the Assessor's payroll tax reports and records of their payroll tax payments. All were processed and paid on a timely basis. We also examined the check vouchers and reports, and verified that pension contributions, health insurance premiums, and worker's compensation premiums were paid timely.

Ethics

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates that each employee/official completed one hour of ethics training during the period.
- b) Observe that documentation demonstrates that each employee/official attested through signature verification that he or she has read the entity's ethics policy during the period.

Findings: We selected all of the St. Charles Parish Assessor's employees/officials and obtained, for all employees except one, the official certification certificate from the Louisiana Board of Ethics which confirmed that each employee/official had successfully completed the required one hour seminar for Ethics Training for Public Servants. A recommendation was made that all employees receive their annual ethics training.

The ethics documentation received from the St. Charles Assessor demonstrates that each employee/official attested through signature verification that he or she has read the entity's ethics policy during the period.

Debt Service

21. Obtain a listing of bond/notes issued during the period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by debt covenants).

Findings: This section is not applicable to the St. Charles Parish Assessor.

Other

23. Obtain a listing of misappropriations of public funds and assets during the period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

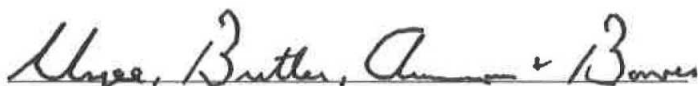
Findings: We obtained a listing of misappropriations of public funds and assets during the period from the management of the St. Charles Parish Assessor. Management stated that this listing is complete in their management representation letter dated June 24, 2020.

Management of the St. Charles Parish Assessor has indicated that there were no cases during the period where funds or property of the Assessor's office have been misappropriated.

The notice required by R.S. 24:523.1 regarding the reporting of misappropriation, fraud, waste, or abuse of public funds is posted in a common area of their office. The website of the Assessor's office also contains a link which takes the user to the Louisiana Legislative Auditor's notice required by R.S. 24:523.1.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those control and compliance areas identified in the Statewide Agreed-Upon Procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those control and compliance areas identified in the Statewide Agreed-Upon Procedures, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Uzee, Butler, Arceneux & Bowes
Certified Public Accountants
Harvey, Louisiana

June 24, 2020



ST. CHARLES PARISH ASSESSOR'S OFFICE

Tab Troxler, Assessor

June 24, 2020

Independent Accountant's Report on Applying Agreed-Upon Procedures
Management Response

Year Ended December 31, 2019

1) TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENT

Procedures #14c & 14d:

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than person receiving reimbursement.

FINDING

We selected twenty-five reimbursements, and obtained the related expense reimbursement forms and supporting documentation. For the twenty-five items selected for testing, all expense reimbursements were evidenced by original itemized receipts, one was lacking the business/public purpose and also did not contain approval. A recommendation was made that all expense reimbursements in the future be marked with the business/public purpose and contain authorization.

P.O. Box 303, 15045 River Road, Hahnville, Louisiana 70057

Phone: 985.783.6281 Fax: 985.783.6593 assessor@stcharlesassessor.com www.stcharlesassessor.com

MANAGEMENT'S RESPONSE

Many reimbursements are done as per diem, per our office policy, which does not necessarily require receipts. We will ensure that all travel and travel-related expense reimbursements which are not per diem are supported by an original itemized receipt that identifies precisely what was purchased. We will also ensure that all travel and travel-related expense reimbursements are marked with the business/public purpose, and that all travel and travel-related expense reimbursements show proper authorization by a member of management.

2) ETHICS

Procedure #20a:

20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates that each employee/official completed one hour of ethics training during the period.

FINDING

We selected all of the St. Charles Parish Assessor's employees/officials and obtained, for all employees except one, the official certification certificate from the Louisiana Board of Ethics which confirmed that each employee/official had successfully completed the required one hour seminar for Ethics Training for Public Servants. A recommendation was made that all employees receive their annual ethics training.

MANAGEMENT'S RESPONSE

We will ensure that all employees/officials receive their ethics training.

Respectfully submitted,



Tab T. Troxler, Assessor